

ANNO TERTIO & QUARTO

GULIELMI IV. REGIS.

****

CAP. XCVIII.

An Act for giving to the Corporation of the Governor and Company of the Bank of *England* certain Privileges, for a limited Period, under certain Conditions. [29th *August* 1833.]

WHEREAS an Act was passed in the Thirty-ninth and Fortieth Years of the Reign of His Majesty King *George* the Third, intituled *An Act for establishing an Agreement with the Governor and Company of the Bank of* England *for advancing the Sum of Three Millions towards the Supply for the Service of the Year One thousand eight hundred:* And whereas it was by the said recited Act declared and enacted, that the said Governor and Company should be and continue a Corporation, with such Powers, Authorities, Emoluments, Profits, and Advantages, and such Privileges of exclusive Banking as are in the said recited Act specified, subject nevertheless to the Powers and Conditions of Redemption, and on the Terms in the said Act mentioned: And whereas an Act passed in the Seventh Year of the Reign of His late Majesty King *George* the Fourth, intituled *An Act for the better regulating Co-partnerships of certain Bankers in* England, *and for amending so much of an Act of the Thirty-ninth and Fortieth Years of the Reign of His late Majesty King* George *the Third, intituled 'An Act for establishing an Agreement with the Governor and Company of the Bank of* England *for advancing the Sum of Three Millions towards the Supply for the Service of the Year One thousand eight hundred,' as relates to the same:* And whereas it is expedient that certain Privileges of exclusive Banking

39 & 40 G. 3. c. 28.

7 G. 4. c. 46.

Banking should be continued to the said Governor and Company for a further limited Period, upon certain Conditions: And whereas the said Governor and Company of the Bank of *England* are willing to deduct and allow to the Public, from the Sums now payable to the said Governor and Company for the Charges of Management of the Public Unredeemed Debt, the annual Sum herein-after mentioned, and for the Period in this Act specified, provided the Privilege of exclusive Banking specified in this Act is continued to the said Governor and Company for the Period specified in this Act: May it therefore please Your Majesty that it may be enacted; and be it enacted by the King's most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same, That the said Governor and Company of the Bank of *England* shall have and enjoy such exclusive Privilege of Banking as is given by this Act, as a Body Corporate, for the Period and upon the Terms and Conditions herein-after mentioned, and subject to Termination of such exclusive Privilege at the Time and in the Manner in this Act specified.

Bank of England to enjoy an exclusive Privilege of Banking upon certain Conditions.

During such Privilege, no Banking Company of more than Six Persons to issue Notes payable on Demand within London, or Sixty-five Miles thereof.

II. And be it further enacted, That during the Continuance of the said Privilege, no Body Politic or Corporate, and no Society or Company, or Persons united or to be united in Covenants or Partnerships, exceeding Six Persons, shall make or issue in *London*, or within Sixty-five Miles thereof, any Bill of Exchange or Promissory Note, or Engagement for the Payment of Money on Demand, or upon which any Person holding the same may obtain Payment on Demand: Provided always, that nothing herein or in the said recited Act of the Seventh Year of the Reign of His late Majesty King *George* the Fourth contained shall be construed to prevent any Body Politic or Corporate, or any Society or Company, or Incorporated Company or Corporation, or Co-partnership, carrying on and transacting Banking Business at any greater Distance than Sixty-five Miles from *London*, and not having any House of Business or Establishment as Bankers in *London*, or within Sixty-five Miles thereof, (except as herein-after mentioned,) to make and issue their Bills and Notes, payable on Demand or otherwise, at the Place at which the same shall be issued, being more than Sixty-five Miles from *London*, and also in *London*, and to have an Agent or Agents in *London*, or at any other Place at which such Bills or Notes shall be made payable for the Purpose of Payment only, but no such Bill or Note shall be for any Sum less than Five Pounds, or be re-issued in *London*, or within Sixty-five Miles thereof.

Any Company or Partnership may carry on Business of Banking in London, or within 65 Miles thereof, upon the Terms herein mentioned.

III. And whereas the Intention of this Act is, that the Governor and Company of the Bank of *England* should, during the Period stated in this Act (subject nevertheless to such Redemption as is described in this Act), continue to hold and enjoy all the exclusive Privileges of Banking given by the said recited Act of the Thirty-ninth and Fortieth Years of the Reign of His Majesty King *George* the Third aforesaid, as regulated by the said recited Act of the Seventh Year of His late Majesty King *George* the Fourth, or any prior or subsequent Act or Acts of Parliament, but no other or further exclusive Privilege of Banking: And whereas Doubts have arisen

arisen as to the Construction of the said Acts, and as to the Extent of such exclusive Privilege; and it is expedient that all such Doubts should be removed, be it therefore declared and enacted, That any Body Politic or Corporate, or Society, or Company, or Partnership, although consisting of more than Six Persons, may carry on the Trade or Business of Banking in *London*, or within Sixty-five Miles thereof, provided that such Body Politic or Corporate, or Society, or Company, or Partnership do not borrow, owe, or take up in *England* any Sum or Sums of Money on their Bills or Notes payable on Demand, or at any less Time than Six Months from the borrowing thereof, during the Continuance of the Privileges granted by this Act to the said Governor and Company of the Bank of *England*.

All Notes of the Bank of England payable on Demand which shall be issued out of London shall be payable at the Place where issued, &c.

IV. Provided always, and be it further enacted, That from and after the First Day of *August* One thousand eight hundred and thirty-four all Promissory Notes payable on Demand of the Governor and Company of the Bank of *England* which shall be issued at any Place in that Part of the United Kingdom called *England* out of *London*, where the Trade and Business of Banking shall be carried on for and on behalf of the said Governor and Company of the Bank of *England*, shall be made payable at the Place where such Promissory Notes shall be issued; and it shall not be lawful for the said Governor and Company, or any Committee, Agent, Cashier, Officer, or Servant of the said Governor and Company, to issue, at any such Place out of *London*, any Promissory Note payable on Demand which shall not be made payable at the Place where the same shall be issued, any thing in the said recited Act of the Seventh Year aforesaid to the contrary notwithstanding.

Exclusive Privileges hereby given to end upon One Year's Notice given at the End of Ten Years after August 1834.

What shall be deemed sufficient Notice.

V. And be it further enacted, That upon One Year's Notice given within Six Months after the Expiration of Ten Years from the First Day of *August* One thousand eight hundred and thirty-four, and upon Repayment by Parliament to the said Governor and Company, or their Successors, of all Principal Money, Interest, or Annuities which may be due from the Public to the said Governor and Company at the Time of the Expiration of such Notice, in like Manner as is hereinafter stipulated and provided, in the Event of such Notice being deferred until after the First Day of *August* One thousand eight hundred and fifty-five, the said exclusive Privileges of Banking granted by this Act shall cease and determine at the Expiration of such Year's Notice; and any Vote or Resolution of the House of Commons, signified by the Speaker of the said House in Writing, and delivered at the Public Office of the said Governor and Company, or their Successors, shall be deemed and adjudged to be a sufficient Notice.

Bank Notes to be a legal Tender, except at the Bank and Branch Banks.

VI. And be it further enacted, That from and after the First Day of *August* One thousand eight hundred and thirty-four, unless and until Parliament shall otherwise direct, a Tender of a Note or Notes of the Governor and Company of the Bank of *England*, expressed to be payable to Bearer on Demand, shall be a legal Tender, to the Amount expressed in such Note or Notes, and shall be taken to be valid as a Tender to such Amount for all Sums above Five Pounds on all

all Occasions on which any Tender of Money may be legally made, so long as the Bank of *England* shall continue to pay on Demand their said Notes in legal Coin: Provided always, that no such Note or Notes shall be deemed a legal Tender of Payment by the Governor and Company of the Bank of *England*, or any Branch Bank of the said Governor and Company; but the said Governor and Company are not to become liable or be required to pay and satisfy, at any Branch Bank of the said Governor and Company, any Note or Notes of the said Governor and Company not made specially payable at such Branch Bank; but the said Governor and Company shall be liable to pay and satisfy at the Bank of *England* in *London* all Notes of the said Governor and Company, or of any Branch thereof.

Bills not having more than Three Months to run, not subject to Usury Laws.

VII. And be it further enacted, That no Bill of Exchange or Promissory Note made payable at or within Three Months after the Date thereof, or not having more than Three Months to run, shall, by reason of any Interest taken thereon or secured thereby, or any Agreement to pay or receive or allow Interest in discounting, negociating, or transferring the same, be void, nor shall the Liability of any Party to any Bill of Exchange or Promissory Note be affected by reason of any Statute or Law in force for the Prevention of Usury, nor shall any Person or Persons drawing, accepting, indorsing, or signing any such Bill or Note, or lending or advancing any Money, or taking more than the present Rate of legal Interest in *Great Britain* and *Ireland* respectively for the Loan of Money on any such Bill or Note, be subject to any Penalties under any Statute or Law relating to Usury, or any other Penalty or Forfeiture; any thing in any Law or Statute relating to Usury in any Part of the United Kingdom to the contrary notwithstanding.

Accounts of Bullion, &c. and of Notes in Circulation to be sent weekly to the Chancellor of the Exchequer, &c.

VIII. And be it further enacted, That an Account of the Amount of Bullion and Securities in the Bank of *England* belonging to the said Governor and Company, and of Notes in Circulation, and of Deposits in the said Bank, shall be transmitted weekly to the Chancellor of the Exchequer for the Time being, and such Accounts shall be consolidated at the End of every Month, and an average State of the Bank Accounts of the preceding Three Months, made from such consolidated Accounts as aforesaid, shall be published every Month in the next succeeding *London Gazette*.

Public to pay the Bank One Fourth Part of the Debt of 14,686,800*l.*

IX. And be it further enacted, That One Fourth Part of the Debt of Fourteen million six hundred and eighty-six thousand eight hundred Pounds, now due from the Public to the Governor and Company of the Bank of *England*, shall and may be repaid to the said Governor and Company.

Capital Stock of the Bank may be reduced.

X. And be it further enacted, That a General Court of Proprietors of the said Governor and Company of the Bank of *England* shall be held at some Time between the passing of this Act and the Fifth Day of *October* One thousand eight hundred and thirty-four, to determine upon the Propriety of dividing and appropriating the Sum of Three million six hundred thirty-eight thousand two hundred and fifty Pounds, out of or by means of the Sum to be repaid to the said

Governor and Company as herein-before mentioned, or out of or by means of the Fund to be provided for that Purpose, amongst the several Persons, Bodies Politic or Corporate, who may be Proprietors of the Capital Stock of the said Governor and Company on the said Fifth Day of *October* One thousand eight hundred and thirty-four, and upon the Manner and the Time for making such Division and Appropriation, not inconsistent with the Provisions for that Purpose herein contained; and in case such General Court, or any adjourned General Court, shall determine that it will be proper to make such Division, then, but not otherwise, the Capital Stock of the said Governor and Company shall be and the same is hereby declared to be reduced from the Sum of Fourteen million five hundred and fifty-three thousand Pounds, of which the same now consists, to the Sum of Ten millions nine hundred fourteen thousand seven hundred and fifty Pounds, making a Reduction or Difference of Three million six hundred and thirty-eight thousand two hundred and fifty Pounds Capital Stock, and such Reduction shall take place from and after the said Fifth Day of *October* One thousand eight hundred and thirty-four; and thereupon, out of or by means of the Sum to be repaid to the said Governor and Company as herein-before mentioned, or out of or by means of the Fund to be provided for that Purpose, the Sum of Three million six hundred and thirty-eight thousand two hundred and fifty Pounds Sterling, or such Proportion of the said Fund as shall represent the same, shall be appropriated and divided amongst the several Persons, Bodies Politic or Corporate, who may be Proprietors of the said Sum of Fourteen million five hundred and fifty-three thousand Pounds Bank Stock on the said Fifth Day of *October* One thousand eight hundred and thirty-four, at the Rate of Twenty-five Pounds Sterling for every One hundred Pounds of Bank Stock which such Persons, Bodies Politic and Corporate, may then be Proprietors of or shall have standing in their respective Names in the Books kept by the said Governor and Company for the Entry and Transfer of such Stock, and so in proportion for a greater or lesser Sum.

Governor, Deputy Governor, or Directors not to be disqualified by Reduction of their Share of the Capital Stock.

XI. Provided always, and be it enacted, That the Reduction of the Share of each Proprietor of and in the Capital Stock of the said Governor and Company of the Bank of *England*, by the Repayment of such One Fourth Part thereof, shall not disqualify the present Governor, Deputy Governor, or Directors, or any or either of them, or any Governor, Deputy Governor, or Director who may be chosen in the Room of the present Governor, Deputy Governor, or Directors at any Time before the General Court of the said Governor and Company to be held between the Twenty-fifth Day of *March* and the Twenty-fifth Day of *April* One thousand eight hundred and thirty-five: Provided that at the said General Court, and from and after the same, no Governor, Deputy Governor, or Director of the said Corporation shall be capable of being chosen such Governor, Deputy Governor, or Director, or shall continue in his or their respective Offices, unless he or they respectively shall at the Time of such Choice have, and during such his respective Office continue to have, in his and their respective Name, in his and their own Right, and for his and their own Use, the respective Sums or Shares of and in the Capital Stock of the said Corporation in and by the Charter of the said Governor and Company

prescribed as the Qualification of Governor, Deputy Governor, and Directors respectively.

Proprietors not to be disqualified.

XII. Provided also, and be it enacted, That no Proprietor shall be disqualified from attending and voting at any General Court of the said Governor and Company, to be held between the said Fifth Day of *October* One thousand eight hundred and thirty-four and the Twenty-fifth Day of *April* One thousand eight hundred and thirty-five, in consequence of the Share of such Proprietor of and in the Capital Stock of the said Governor and Company having been reduced by such Repayment as aforesaid below the Sum of Five hundred Pounds of and in the said Capital Stock; provided such Proprietor had in his own Name the full Sum of Five hundred Pounds of and in the said Capital Stock on the said Fifth Day of *October* One thousand eight hundred and thirty-four; nor shall any Proprietor be required, between the said Fifth Day of *October* One thousand eight hundred and thirty-four and the Twenty-fifth Day of *April* One thousand eight hundred and thirty-five, to take the Oath of Qualification in the said Charter.

Bank to deduct the annual Sum of 120,000*l.* from Sum allowed for Management of National Debt.

XIII. And be it further enacted, That from and after the said First Day of *August* One thousand eight hundred and thirty-four the said Governor and Company, in consideration of the Privileges of exclusive Banking given by this Act, shall, during the Continuance of such Privileges, but no longer, deduct from the Sums now payable to the said Governor and Company, for the Charges of Management of the Public Unredeemed Debt, the annual Sum of One hundred and twenty thousand Pounds, any thing in any Act or Acts of Parliament or Agreement to the contrary notwithstanding: Provided always, that such Deduction shall in no respect prejudice or affect the Right of the said Governor and Company to be paid for the Management of the Public Debt at the Rate and according to the Terms provided in an Act passed in the Forty-eighth Year of His late Majesty King *George* the Third, intituled *An Act to authorize the advancing for the public Service, upon certain Conditions, a Proportion of the Balance remaining in the Bank of* England *for Payment of unclaimed Dividends, Annuities, and Lottery Prizes, and for regulating the Allowances to be made for the Management of the National Debt.*

48 G. 3. c. 4.

Provisions of Act of 39 & 40 G. 3. to remain in force, except as altered by this Act.

XIV. And be it further enacted, That all the Powers, Authorities, Franchises, Privileges, and Advantages given or recognized by the said recited Act of the Thirty-ninth and Fortieth Years aforesaid, as belonging to or enjoyed by the Governor and Company of the Bank of *England*, or by any subsequent Act or Acts of Parliament, shall be and the same are hereby declared to be in full force and continued by this Act, except so far as the same are altered by this Act, subject nevertheless to such Redemption upon the Terms and Conditions following; (that is to say,) that at any Time, upon Twelve Months Notice to be given after the First Day of *August* One thousand eight hundred and fifty-five, and upon Repayment by Parliament to the said Governor and Company or their Successors of the Sum of Eleven millions fifteen thousand one hundred Pounds, being the Debt which will remain due from the Public to the said Governor

and Company after the Payment of the One Fourth of the Debt of Fourteen millions six hundred and eighty-six thousand eight hundred Pounds as herein-before provided, without any Deduction, Discount, or Abatement whatsoever, and upon Payment to the said Governor and Company and their Successors of all Arrears of the Sum of One hundred thousand Pounds *per Annum* in the said Act of the Thirty-ninth and Fortieth Years aforesaid mentioned, together with the Interest or Annuities payable upon the said Debt or in respect thereof, and also upon Repayment of all the Principal and Interest which shall be owing unto the said Governor and Company and their Successors upon all such Tallies, Exchequer Orders, Exchequer Bills, or Parliamentary Funds which the said Governor and Company or their Successors shall have remaining in their Hands or be entitled to at the Time of such Notice to be given as last aforesaid, then and in such Case, and not till then, (unless under the Proviso herein-before contained,) the said exclusive Privileges of Banking granted by this Act shall cease and determine at the Expiration of such Notice of Twelve Months.

Act may be amended this Session.

XV. And be it further enacted, That this Act may be altered, amended, or repealed by any Act to be passed in this Session of Parliament.

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